

## COASTAL CONSERVANCY

Staff Recommendation  
September 29, 2016

To: Members of the Coastal Conservancy

From: Sam Schuchat, Executive Officer  
Mary Small, Deputy Executive Officer

CC: Oversight Legislators

Re: Revision to Coastal Conservancy Proposition 1 Grant Program Guidelines and First Annual Report on Proposition 1 Grant Program

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### **RECOMMENDED ACTION:**

Adoption of revisions to State Coastal Conservancy Proposition 1 Grant Program Guidelines for solicitation, review and selection of applications for grants of Proposition 1 funds; and review of first annual report on the Proposition 1 Grant Program.

### **EXHIBITS**

- Exhibit 1: [Coastal Conservancy Proposition 1 Grant Program Guidelines, Revised September 29, 2016](#)
- Exhibit 2: [First Annual Report on Coastal Conservancy's Proposition 1 Grant Program](#)
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### **RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 et seq. of the Public Resources Code:

“The State Coastal Conservancy hereby adopts revisions to the State Coastal Conservancy Proposition 1 Grant Program Guidelines as shown in the accompanying staff recommendation, pursuant to Water Code Section 79706(a).”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff recommendation and its attached exhibits, the Conservancy hereby finds that:

1. The Proposition 1 Grant Program Guidelines as revised as shown in Exhibit 1 to

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the accompanying staff report are consistent with Conservancy's statutory responsibilities under Division 21 of the California Public Resources Code.

2. The Proposition 1 Grant Program Guidelines as revised as shown in Exhibit 1 to the accompanying staff report are consistent with Division 26.7 of the California Water Code."

### **STAFF RECOMMENDATION:**

The Water Quality, Supply, and Infrastructure Improvement Act of 2014 ("Prop 1") was approved by voters in November 2014. Prop 1 is codified as Division 26.7 of the Water Code. Prop 1 requires each agency that receives an appropriation of funding pursuant to Prop 1 for competitive grants to develop and adopt project solicitation and evaluation criteria guidelines. (Water Code Section 79706(a)). The adoption of the guidelines is exempt from the state law governing adoption of regulations. (Water Code Section 79705).

The Conservancy developed its Prop 1 guidelines in accordance with the general provisions of Chapter 4 of Prop 1 and with Chapter 6 of Prop 1, which allocates funding to the Conservancy. The process of the Conservancy's guideline development is described below. The Conservancy adopted the *State Coastal Conservancy Proposition 1 Grant Program Guidelines* (Prop 1 Guidelines) at its June 25, 2015 meeting. Since then, the Conservancy has completed three grant rounds pursuant to the Prop 1 Guidelines.

Based on experience from the first year of administering Prop 1 grants, staff recommends three revisions to the Prop 1 Guidelines. The proposed revisions are minor refinements to the Conservancy's process that will aid Conservancy staff and the public without significantly changing how the Conservancy will solicit, review and select grant applications. The first proposed revision is to reduce the annual grant rounds from four to three. The second is to clarify some of the project scoring criteria to help both applicants and reviewers. The third is to encourage applicants to respond to project specific grant solicitations where appropriate. All three revisions are described in detail below and incorporated into the revised guidelines that are attached as Exhibit 1. In addition, staff has prepared the First Annual Proposition 1 Grant Program Report, which is attached as Exhibit 2.

Staff recommends that the Conservancy reduce the number of Prop 1 grant rounds from four to three grants rounds each year and include some flexibility to adjust the solicitations in the future. The reduced schedule will still allow Conservancy to respond to projects relatively quickly. The reduced work load will allow Conservancy staff to have time to coordinate with other Prop 1 funding agencies and continue to manage non-Prop 1 projects. The proposed revisions are:

#### **A. Project Solicitation**

~~A Request for Proposals to be funded with Prop 1 will be posted on the Conservancy's website and may be updated periodically.~~ Solicitation periods for

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Prop 1 grants will be posted on the Conservancy's website and may be updated periodically. The Conservancy may elect to solicit targeted proposals for a specific type of project for some of the solicitation periods.

### **B. Project Solicitation Periods**

There will typically be ~~three~~ ~~four~~ project solicitation periods each year, with applications due at the end of August, in the middle of January and at the end of May. ~~August 1 September 30, November 1 December 31, February 1 March 31, and May 1 June 30.~~ Solicitation periods will be at least six weeks long. Grant applications must be submitted during the solicitation periods. The Conservancy may change the project solicitation schedule or number of solicitation periods depending upon the capacity of the Conservancy staff and funding availability.

Staff also recommends clarification to some of the scoring criteria to assist applicants and reviewers. First, the scoring criteria for consistency with state plans should include the Coastal Conservancy's Strategic Plan. Second, the criteria for use of new or innovative technology or practices should also give points for the use of appropriate technology that is well established as a best practice, even if it is not innovative. The proposed clarifications are:

The extent to which the project promotes and implements the Coastal Conservancy Strategic Plan, the California Water Action Plan, other state plans and policies, and relevant regional water plans. (8 points)

The extent to which the project employs ~~new or~~ innovative or environmentally appropriate technology or practices. (5 points)

Finally, staff recommends the addition of the following statement in Part V.B. "Additional Project Considerations":

Proposition 1 provides some funds specifically for certain project types and geographic regions (in-stream flow projects, projects located in the legal Delta). Applicants are encouraged to apply to these programs where appropriate. SCC staff can help identify appropriate grant programs.

### **Guideline Development**

The Prop 1 Guidelines were developed during the first six months of 2015, with extensive public input. Conservancy staff held three public workshops on the grant guidelines: in Sacramento, in Oakland, and in Los Angeles. At each meeting the Conservancy made a brief presentation on the draft guidelines, answered questions and listened to public comments. The Conservancy received written comments (letters or emails) from 56 organizations and individuals.

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The Conservancy considered the draft Prop 1 Guidelines and public input at its March 2015 meeting and provided direction to staff to revise the draft guidelines. Based on this direction several revisions were incorporated into the Prop 1 Guidelines, which were approved with the update to the Coastal Conservancy's Strategic Plan at the June 2016 meeting.

### **COMPLIANCE WITH CEQA**

Under the California Environmental Quality Act (CEQA), a "project" consists of an action that can cause either a direct physical change or a reasonably foreseeable indirect change in the environment; and that is an activity directly undertaken or funded by a public agency, or an activity that involves the issuance of a permit or other entitlement. (Public Resources Code Section 21065). The CEQA Guidelines further define the term "project" and confirm that it does not include administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal Code Regs. Section 15378(b)(5)). Adoption of the proposed grant program guidelines is an administrative activity that does not have the potential to cause a physical change to the environment. Accordingly, revision of the Prop 1 Guidelines does not constitute a project for purposes of CEQA.